

## ACTION REPORT

National Economic Council, Inc., 7501 Empire State Bldg., New York 1, N. Y.

No. 10

## NEC FIGHTS COLLECTIVIST PROPOSALS IN CONGRESS

## Victory for Sound Americanism Won at Special Session

Faced in the call by President Truman for the special session of Congress in July with proposals which would have led the United States far toward a collectivist economy, NEC reacted swiftly and vigorously.

By every means available, including personal interviews with Congressmen, succinct and telling material containing facts and figures put into the hands of every member of the House and Senate, NEC fought for the maintenance of American economic and political freedom.

Results taken as a whole confirmed faith of NEC in the devotion of the majority of members of the 80th Congress to American principles and effectiveness of telling information when placed in their hands. The score:

1. Price control—opposed by NEC. Not enacted.
2. FEPC—opposed by NEC. Not enacted.
3. Federal Aid to Education—opposed by NEC. Not enacted.
4. Government-erected Housing—opposed by NEC. Not enacted.
5. Sound Anti-Inflationary Controls on Credit—favored by NEC. Enacted.
6. Loan for UN Headquarters—opposed by NEC. Enacted.

NEC also found itself unable to support the housing bill finally passed, believing that the effects of further large-scale Federal guarantees of mortgages would be inflationary. This bill is so much better than the Wagner-Ellender-Taft ("WET") bill, however, urged by the Administration, that NEC considers the housing battle as a whole to have ended in an American victory.

## THIS IS A CRISIS!

An audacious and shrewdly calculated attempt to change all U. S. labor laws without action of the House of Representatives has been exposed to the American public by NEC in Council Letter No. 200.

According to the U. S. Constitution, treaties (which need approval only of the Senate, not the House) become the "supreme law of the land" when ratified. They automatically repeal previous laws inconsistent with them, whether State or Federal.

The ILO (International Labor Organization, an affiliate of UN), decisively controlled by left-wingers and including among member bodies WFTU (World Federation of Trade Unions, a Communist soundingboard), has taken shrewd advantage of this constitutional provision to attempt backdoor repeal of existing U. S. labor laws. It proposes to member governments (U. S. A. is one) adoption of a treaty (called a "convention") which would not only nullify the Taft-Hartley Act and all existing labor legislation, but also render Congress and the States powerless to regulate labor practices. Additionally it would have the effect of freeing the Communist Party in the U. S. A. from all possible control by the U. S., provided it proclaimed itself a "workers' organization."

NEC views this attempt as no isolated event, but as part of a well calculated, long term design to fasten collectivism upon the U. S. by indirection. The design contemplates subverting the U. S. economy through the UN International Alphabetical agencies, including ITO (International Trade Organization), UNESCO (United Nations Educational, Scientific and Cultural Organization), IRO (International

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## HART REPORTS ON ERP EFFECTS IN EUROPE

## Tells of Spain, France and Great Britain

Studying conditions in Europe at first hand, NEC President Merwin K. Hart in July and August visited Portugal, Spain, France and Great Britain. Special objects of study were the effects of U. S. foreign policy and the economic and political results and implications of ERP.

## Spain

In Spain, Hart found additional evidence of the seriousness of the blundering U. S. policy taken at the instance of Premier Stalin himself at the Potsdam Conference.

"Spain," observed Hart at a recent meeting, "occupies a strategic position at the western gateway of the Mediterranean. Her cultural influence in Latin America is great. In Spain, if at all, the forces of anti-Communism could be rallied after the expected overthrowing of the Continent by Soviet Russia."

## France

In France, although a socialist government remains in power and Socialism will be bolstered by ERP dollars, Hart found signs of genuine popular reaction against further government seizure of industry, and against collectivism in general.

"Since 1945," he reported, "the power companies, the coal mines, and several of the largest banks have been taken over by the State, as well as the airplane factories and the Renault automobile works in France. All are losing money. The five nationalized banks used to be among the heaviest taxpayers in France. But last year they lost ten billion francs (about \$30,000,000). The airplane factories seem to be turning out constantly poorer work."

"As a result, many Frenchmen have revulsed against nationalization of industry. They now clearly see that that way lies disaster. This change of atti-

## EUROPE—(Concluded)

inde is due in no sense, so far as I could learn, from any act or attitude of the U. S. Government. Our Government has insisted on the fatuous proposition that it is indelicate for a lender (or even a giver) of goods, money or services to affix any conditions, no matter how sound. The French reaction is based on French experience of how socialism really works."

But this is only part of the French picture, he warned: "France is in a precarious position. She has a huge, well-oiled Communist machine, only waiting for things to get so bad it can take over. Now, if ever, France needs wise counsel from without. If U. S. policy makers had been statesmen uninfluenced by Marxism they could have attached reasonable conditions to ERP millions which might definitely have turned the tide upward. But, in my opinion, the money we are giving this year, aside from the temporary benefit of relief, might just as well have been thrown down the drain."

### Great Britain

As for Britain, Hart charged that ERP dollars are keeping the Labor Party in power and that the subsidy is just as direct as if Congress were to vote a gift of money to the Republican or Democratic party at home.

"Your savings and mine," he said, "are making it possible for the British Labor Party to continue its nationalization of industry. Each nationalized industry means one more reduction in tax receipts and one more burden on the backs of British taxpayers. And one more deficit for our ERP dollars to make good."

"If we had attached to what they call 'Marshall Aid' one simple condition: 'No more nationalization,' the Labor Government would have fallen before this and Britain would have a chance to recover, to pull itself out of the quicksand in the only way humanly possible, by a free economy that rewards effort, instead of a socialist economy that stifles it and hides its failure by spending American dollars."

### More Strides Toward Ruin

As in France, Hart found much sentiment swinging away from socialism and toward return to Britain's historically successful free enterprise economy. Nevertheless he found the Labor Government grimly determined to nationalize as much of the economy as it could—possibly upon the theory that once done, return to private owners

would be virtually impossible even if the Laborites should be defeated in the next elections.

Way for further socialization has been paved by "The Control of Engagements Act," which makes virtually every Briton available to the call of the Government, to work where and as it chooses; Socialization of Medicine, which has destroyed the structure of private practice developed over a long period of trial and error; and the "Town and Country Planning Act," which abolishes development values in land and buildings.

"All real property is frozen at its present value for its existing use," explained Hart. "If a piece of land is developed, the increased value (to be fixed of course by bureaucrats) must be paid to the State. Suppose one owns five acres of farm land worth five pounds per acre, and erects thereon, as a business investment, five houses. A Government bureau can decide that the land, alone, exclusive of buildings, has now become worth, say, 150 pounds per acre. It can then require the owner to pay 500 pounds as a tax. This is one more device to discourage individual initiative."

Hart strongly recommended again what NEC has recommended all along: that further ERP aid to Britain be conditioned upon no more nationalizations. After his return he received an urgent cable from a very prominent member of Parliament asking him to "see Dewey ... and others and get them to say 'not another dollar unless you promise not to nationalize iron and steel.'"

After the regular session of Congress, 127 Senators and Representatives sent NEC written instructions where to send their Council publications during the recess.

### Do You Need a Speaker?

NEC has established a Speakers' Bureau, staffed by able, experienced men and women who thoroughly understand the economic and social issues now confronting America. They are available to service clubs, veterans' posts, women's organizations, church societies, high school and college groups, and similar gatherings. Please address your requests, at least one month before the date of your meeting, to: NEC Speakers' Bureau, 7501 Empire State Bldg., New York 1, N. Y.

## SHIFT ON SPAIN GROWING FAST

Awareness that the vital interests of the U. S. require friendship and close relations with Spain (as NEC has declared for years) grew fast this autumn. Among those declaring for closer relations was Senator Chan Gurney, Chairman of Senate Armed Forces Committee, who saw General Franco in Madrid, accompanied by high U. S. Army, Air and Naval officers. James A. Farley, also in Madrid, advocated including Spain in ERP. At the UN meeting in Paris, Secretary Marshall is reliably reported to be quietly advocating full relations as a vital U. S. necessity in case of war. Other prominent Americans, including Eric Johnston, declared likewise. The pro-Soviet counter-propaganda machine moved at once into high gear with the old Communist cry of "fascist." But by mid-October it was becoming plain that full and close relations are a matter only of a little more time.

## CRISIS—(Concluded)

Refugee Organization), the International Monetary Fund.

Emerging strategy of those attempting to revolutionize U. S. through treaties and international control seems to be this: to bring forward projects separately at intervals until the American will to resist is dissipated. They seem confident that Americans who understand the great stakes involved will tire after a few successive battles, or else that the public will become jaded. Then the promoters of the design will be able to put through what they want with little excitement or public notice.

NEC pledges that its voice will be raised in warning against each step of the design. It also pledges that so long as the means are put in its hands it will fight hard to maintain American freedom.

For the battle on ratification of the ILO "Convention" NEC is laying plans and raising a special emergency fund. This will not be the last battle. But if Americans lose this, they will probably lose all the rest. If they win it, they still have a chance. NEC needs the substantial help of every American. Your response will decide whether the collectivist estimate of American character is right. NEC thinks they are wrong. It is betting on the American people.